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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
08/567,564	12/05/95	KOLLAR	J 1469-1-003

JOHN KOLLAR
6 SPENCER COURT
WYCKOFF NJ 07481

HM32/0430

EXAMINER

NAZARIO GONZALEZ, P

ART UNIT

PAPER NUMBER

1621

DATE MAILED:

04/30/98

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary	Application No. 08/567,564	Applicant(s) J. Kollar
	Examiner Porfirio Nazario-Gonzalez	Group Art Unit 1621

Responsive to communication(s) filed on Mar 17, 1998.

This action is FINAL.

Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire three month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

Disposition of Claims

Claim(s) 1-17 is/are pending in the application.

Of the above, claim(s) _____ is/are withdrawn from consideration.

Claim(s) _____ is/are allowed.

Claim(s) 1-17 is/are rejected.

Claim(s) _____ is/are objected to.

Claims _____ are subject to restriction or election requirement.

Application Papers

See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

The drawing(s) filed on _____ is/are objected to by the Examiner.

The proposed drawing correction, filed on _____ is approved disapproved.

The specification is objected to by the Examiner.

The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

All Some* None of the CERTIFIED copies of the priority documents have been

received.

received in Application No. (Series Code/Serial Number) _____.

received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

*Certified copies not received: _____.

Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

Notice of References Cited, PTO-892

Information Disclosure Statement(s), PTO-1449, Paper No(s). _____

Interview Summary, PTO-413

Notice of Draftsperson's Patent Drawing Review, PTO-948

Notice of Informal Patent Application, PTO-152

--- SEE OFFICE ACTION ON THE FOLLOWING PAGES ---

Art Unit: 1621

DETAILED ACTION

Status of the claims

1. Claims 1-17 are pending. Claims 1-17 stand rejected under 35 U.S.C. § 102(b) based upon a public use or sale of the invention based on Exhibits 3 and 6 (now of record).

Response to Arguments

2. Applicant's arguments filed January 17, 1998 have been fully considered but they are not persuasive. Applicant presents his arguments traversing the rejections of the claims in four sections:

- a. Sale or Offer to Sale Issues,
- b. US PTO Review of Sale or Offer for Sale,
- c. Issues of "Intent" and "Experimental or Use", and
- d. Paper No. 9 Rejection Basis.

3. Applicant argues in section "a" that the statement on page 2, lines 13-16 of the "Confidence Agreement", Exhibit 6, are not an offer to sell. Applicant further argues that the Examiner "incorrectly defines a key word, misinterprets others, then transform these ACC words of "make an offer to Redox to acquire" into a Redox "offer to sell".". Applicant also argues that the word "acquire" imply to get or to gain by assignment of rights, sale of rights, by licensing, etc. Further, Applicant cites *Moleculon Research Corporation v. CBS, Inc.*, 793 F.2d 1261, 229

Art Unit: 1621

USPQ2d 805 (Fed. Cir. 1986) in support of the argument that the sale of rights in invention does not constitute a sale of the invention within the meaning of 35 U.S.C. § 102(b). Furthermore, Applicant argues that the solicitation of ACC interest by Redox was "for development funding". Applicant provides an Exhibit 1 (filed with the response of January 17, 1998) as support of the above mention argument and cites *Lamari v. Lenard Toys*, 22 USPQ2d 1440 (DC EPa, 1992) as legal support for the argument that a joint development agreement does not constitute "sale" of the invention within the meaning of 35 U.S.C. § 102(b). The Examiner respectfully disagrees with Applicant's arguments. The U.S. Court of Appeals for the Federal Circuit in *Barmag Barmer Maschinenfabrik AG v. Murata Machinery, Ltd.*, 731 F.2d 831, 836 [221 USPQ 561, 564] (Fed Cir. 1984) set forth a test which determines "the existence of a bar [to patentability] where the offer to sell concerns articles which have not been produced at the time the purchase is solicited." The test requires: (1) the invention to be embodied in the devices offered for sale, (2) the invention to be reduced to practice and operable more than one year prior to the respective patent application, and, (3) the devices to have been on sale for profit, not for experimentation. *Timely Products Corp. V. Aaron*, 523 F.2d 288 [188 USPQ 257] (2d Cir. 1975). Exhibit "B" (Declaration of John Kollar), Section 10, stated that the Redox's disclosure to Arco Chemical Company (ACC), Exhibit "6", "included documents which contained a description of the D/B/P invention." This clearly meets the requirement of prong (1) of the *Timely* test. Further, the claimed invention was reduced to practice on July 27, 1979 as stated on Paper No. 3, filed April 24, 1996. See also Exhibits "B" and "2". This clearly meets the requirement of prong (2) of the

Art Unit: 1621

Timely test. As to prong (3) of the *Timely* test, a determination as to whether the use of devices was for experimental use by considering the totality of factors will follow. Applicant is correct in that Exhibit "6" is a confidential agreement between ACC and REDOX. However, it is also a fact that the evaluation of the "Technology", which includes the claimed invention, by ACC was not under the supervision of REDOX. Further, in Section 2 of Exhibit "6", states that REDOX personnel will be available for telephonic discussions of the "technology" with ACC personnel. Also REDOX personnel would provide follow-up visits to aid ACC in the evaluation of the "Technology". This clearly indicates that the evaluation by ACC was not under the supervision of REDOX which is one of the factors when considering the argument of experimental use (whether persons other than the inventor performed the testing). See *City of Elizabeth v. American Nicholson Pavement Co.*, 97 U.S. 126, 134 (1877). In fact, the U.S. Court of Appeals for the Federal Circuit Furthermore, Applicant states on page 8, last paragraph, in his reponse of January 17, 1998 that "The extent of "experimental reproduction and/or evaluation of the "Technology" is the sole due diligence responsibility of ACC, the recipient of the REDOX Disclosure". This clearly suggest that the inventor was not in control of the invention during this period. Other factors in determining whether a use is experimental include the length of the test period, whether the inventor recieived payment for the testing, any agreement by the user to maintain the use confidential, the number of tests, and the length of the test in relation to the tests of similar devices. See also *TP Lab., Inc. v. Professional Positioners, Inc.* 724 F.2d at 971-72, 220 USPQ at 582 and *In re Brigance*, 792 F.2d 1103, 1108, 229 USPQ 988, 991 (Fed. Cir.

Art Unit: 1621

1986). Therefore, considering the facts (in their totality) that; (a) Applicant was paid \$20,000 for the disclosure of the "Technology" to ACC; (b) that the evaluation period was 4 months in which thereafter ACC would notify REDOX their decision concerning the acquisition of the "Technology"; (c) that the Agreement was confidential; and (d) that Applicant was not in control of the invention during the evaluation period; the Examiner has to conclude that the "evaluation" was not experimental but rather commercial in nature. Thus, in applying the *Timely* test, the totality of evidence point to only one possible conclusion-- that REDOX offer to sale the "Technology" to ACC before the critical date (December 5, 1994) even though it was done under conditions of secrecy. Note that conditions of secrecy is only relevant to the issue of public use.

See *Hobbs v. United States, Atomic Energy Commision*, 171 USPQ 713 (CA 5, 1971).

4. In section "b" Applicant argues that the issues of sale or offer to sale have been reviewed by the USPTO in the prosecution of U.S. Pat. No. 5,321,157 and are dispositive of Applicant's position in this application. The Examiner of record in U.S. Pat. No. 5,321,157 made a determination as to the allowability of the claims during the prosecution based on the facts and and caselaw presented at that given time. However, this Examiner made also a determination of the patentability of the instant claims based on the evidence at hand and based on current caselaw and not based on the facts in another application.

5. In section "c" Applicant addresses the issue of intent by arguing that "ACC intent cannot be known or assumed by Examiner...". Applicant provides an Exhibit 2 (filed with the response of January 17, 1998) as support of the above mention argument. The Examiner has simply

Art Unit: 1621

examined the evidence in its totality and made a determination as to whether Applicant made an offer to sale the invention within the meaning of 35 U.S.C. § 102(b). As to Exhibit 2, the issue continues to be whether REDOX was in control during the “evaluation” period of the “Technology” by ACC. The evidence in the record does not show that REDOX was in control during that period.

6. Lastly, in Section “d” Applicant continues to argue that the “joint development and licensing Agreement” main purpose was for experimental use. The Examiner again respectfully disagrees. As stated above (see paragraph 3), when raising the argument of experimental use against an on sale or offer to sale bar Applicant must show that said experimentation was under his control. The record does not show that the Applicant had control over the “evaluation” period, and, as the U.S. Court of Appeals for the Federal Circuit had indicated [in *Lough v. Brunswick Corp.*, 39 USPQ2d at 1105 (CAFC 1996)] that the “factor of control is critically important, because, if the inventor has no control over the alleged experiments, he is not experimenting.” Thus, the claims had been properly rejected.

Conclusion

7. This action is a **final rejection** and is intended to close the prosecution of this application. Applicant's reply under 37 CFR 1.113 to this action is limited either to an appeal to the Board of Patent Appeals and Interferences or to an amendment complying with the requirements set forth below.

Art Unit: 1621

If applicant should desire to appeal any rejection made by the examiner, a Notice of Appeal must be filed within the period for reply identifying the rejected claim or claims appealed. The Notice of Appeal must be accompanied by the required appeal fee of \$145.00.

If applicant should desire to file an amendment, entry of a proposed amendment after final rejection cannot be made as a matter of right unless it merely cancels claims or complies with a formal requirement made earlier. Amendments touching the merits of the application which otherwise might not be proper may be admitted upon a showing a good and sufficient reasons why they are necessary and why they were not presented earlier.

A reply under 37 CFR 1.113 to a final rejection must include the appeal from, or cancellation of, each rejected claim. The filing, whichever is longer, of an amendment after final rejection, whether or not it is entered, does not stop the running of the statutory period for reply to the final rejection unless the examiner holds the claims to be in condition for allowance.

Accordingly, if a Notice of Appeal has not been filed properly within the period for reply, or any extension of this period obtained under either 37 CFR 1.136(a) or (b), the application will become abandoned.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Examiner Nazario-Gonzalez whose telephone number is (703) 308-4632. The examiner can normally be reached on Monday-Friday from 8:30 AM to 5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Gary Geist, can be reached on (703) 308-1701. The fax phone number for this Group is (703) 308-4556.

Serial Number: 08/567,564

Page 8

Art Unit: 1621

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 308-1235.

PNG
April 30, 1998

Porfirio Nazario Gonzalez
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PRIMARY EXAMINER
TC GROUP 1200 1600